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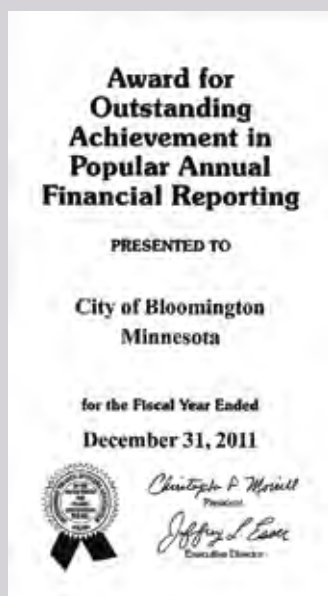
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FINANCIAL AWARDS

The Government Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2011. This national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City has received the Popular Award for 13 years, the Distinguished Budget Award for 17 years and the Certificate of Excellence in Government Reporting for the past 41 years.

THROUGHOUT THIS REPORT

The monthly expenses for City services described in this report are based on a median-priced home with monthly property taxes for City services of \$66.04.

BLOOMINGTON AT ITS BEST

MEETING THE NEEDS AND EXPECTATIONS OF THE COMMUNITY

By Mayor Gene Winstead



The City's long-term vision is to make Bloomington a stronger and more sustainable community where people want to live and work. We do this by providing quality services at an affordable price and supporting the long-term property investments that residents and businesses have made in Bloomington. We also place great value on community members' input and rely on their feedback to help guide our planning and vision.

In 2012, we conducted an in-depth community survey in which thousands of residents were contacted to get their views of Bloomington as a place to live and work. The National Citizen Survey is a standardized survey developed by the National Research Center in partnership with the International City/County Management Association. The survey provides a statistically valid look at resident opinions about the strengths and weaknesses of a municipality's programs and services.

The National Research Center administered the wide-ranging survey that allowed us to compare results from 500 cities surveyed and a select group of 21 high performance peer cities like Bloomington, which are similar to us in size, location, demographics, population and employment base. Bloomington consistently ranked in the top 10 for quality of life, recreation opportunities, community design, public safety,

environmental sustainability and public trust. Look for Bloomington's peer cities ranking throughout this publication.

The peer cities used in the survey included: Scottsdale, AZ; Carlsbad, Concord, Livermore, Mountain View, Rancho Cordova, Sunnyvale and Walnut Creek, CA; Arvada, Centennial, Lakewood, Thornton and Westminster, CO; Sandy Springs, GA; Naperville, IL; Olathe and Overland Park, KS; Worcester, MA; Rockville, MD; Farmington Hills, MI and Bellevue, WA.

While results show Bloomington ranks well, the survey will allow us to measure continuing improvement alongside these peer cities as we move forward. Another survey will be conducted this year.

In an effort to maintain an affordable price for City services, the City Council adopted a property tax levy for 2013 of \$46,641,219. Although this is a 4.95 percent increase from 2012, it follows two years of total property tax levy decreases, resulting in a 1.53 percent average annual increase over the past three years. Bloomington residents with median-valued homes of \$194,500, will see their monthly cost of City services decrease to \$66.04 for 2013 – \$1.78 less than the \$67.82 for 2010, 2011 and 2012.

Overall, 2012 was a strong year for development when compared to the last 10 years, especially for new residential and hotel development. In

fact, 2012 was another record year for permits issued in Bloomington and many of these projects accomplish the City's goal of renewal. Major district improvements were completed in 2012, including construction of the new Radisson Blu hotel at Mall of America in the South Loop and reconstruction of the I-494/TH169 interchange. In the Penn-American District, construction was completed on the retail and residential development Genesee. In the Normandale Lake District, construction of two new upscale apartment developments is in progress.

The South Loop District Plan was approved by the City Council in 2012. The plan encourages a dense mix of businesses and housing close to transit. City acquisition of land parcels and receipt of transportation grants will facilitate construction of the Lindau Link between the Mall of America and Bloomington Central Station and foster new development.

Working with community members and businesses, the City will continue to move forward to implement its plans for a dynamic future.

FINANCIAL REPORTS ONLINE

Check out the financial reports on the City's website. The 2012 estimated expenditures in this report will be changed to reflect actual expenditures after the City's audit is completed in June.

WEBSITE KEYWORD: FINANCE.





PUTTING YOUR TAX DOLLARS TO WORK
WHAT THE OWNER OF A MEDIAN-VALUE HOME PAYS

When it comes to drinking water, sewer and stormwater services, Bloomington is ranked #1 among peer cities. In addition, 89% of residents surveyed rated the City’s drinking water as excellent or good. This is much above the national comparison.

Residents receive a wide variety of City services for an affordable price. The cost of City services in 2013 for the owner of a median-priced, single-family home in Bloomington with an assessor’s market value of \$194,500 is \$66.04 per month, down from \$67.82 in 2012.

Utilities remain competitively priced in 2013. Solid waste fees have remained the same from 2009 to 2012. Stormwater fees remained the same from 2009 to 2011 and had a \$0.25 per month increase in 2012 and a \$0.21 per month increase in 2013.

Water and wastewater rates stayed the same in 2009 and 2010. With the change to water conservation rates in 2011, single-family homeowners are better able to control their utility bills by controlling consumption. Net property tax cost is obtained by subtracting all revenue sources other than property tax from departmental expenditures. Water and sewer utilities are fee based.

Monthly cost of utilities

Based on an average water usage of 6,800 gallons per month and sewer usage of 4,740 gallons per month, the monthly cost of utilities for a home in Bloomington is \$39.36 in 2013. Services include water, sewer, stormwater and solid waste. *See page CR 7* for more information on utility costs.

Note: Utility bills are mailed bimonthly and average \$78.72 for the two-month billing cycle.

PROPERTY TAX-SUPPORTED SERVICES

These icons show how the monthly cost of property tax-supported services is divided among City departments.



CITY OF BLOOMINGTON ORGANIZATIONAL CHART

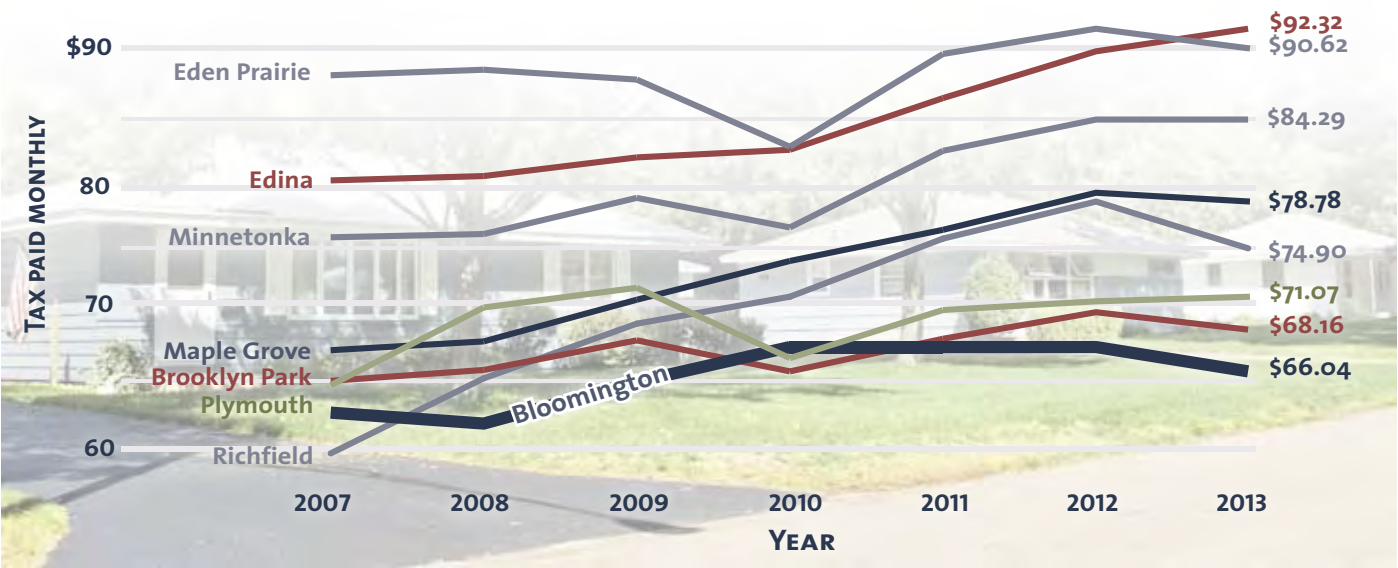
Bloomington’s Charter provides for a council-manager government. The stability of our organization is reflected in the City having had only two city managers in the last 45 years.

The City Council and Mayor, who serve part time, are elected by the people, exercise legislative power and determine overall City policies. Advisory boards and commissions gather information and advise the City Council on specific issues. Policy development and day-to-day operations are directed by the Council-appointed City Manager. The City Manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.



MEETING DEMANDS WITH QUALITY CITY SERVICES
BLOOMINGTON RANKS WELL IN COMPARISON

The City continues to meet the needs of its residents while constantly looking for ways to improve quality and keep costs affordable. In a 2013 comparison of seven peer communities in Hennepin County with more than 20,000 residents, the monthly cost of City services for a single-family home in Bloomington ranked lowest at \$66.04. The *graph below* illustrates the cost-effectiveness of Bloomington services in terms of what the owner of a median-value home pays in the metro area. Bloomington is very cost competitive even with newer communities such as Brooklyn Park, Plymouth and Maple Grove that are just on the cusp of infrastructure renewal that Bloomington began almost 20 years ago.



YOUR 2013 TAX DOLLAR
HOW IT ALL BREAKS DOWN

The single-family residential tax dollar is divided among several governmental entities. As the *graphic at left* shows, for every dollar of taxes paid, 29 cents are for City services. The actual amount of taxes owed is based on market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity’s respective boundaries using tax capacity, a function of market value and property type. After applying educational aids, a Bloomington homeowner with a median-value home pays \$2,750 in property taxes. Of that, \$792, or \$66.04 per month, goes to the City for services. The remaining \$1,958 or \$163.17 a month goes to other taxing districts.

BOOSTING PROPERTY VALUES

RESIDENTS WEIGH IN ON WHAT ACTIONS THE CITY SHOULD TAKE

In 2012, the City conducted a community survey to help guide its strategic planning and vision. *See cover story.* Survey respondents felt there was solid value gained from their property tax dollars. For example, 70 percent thought that the value of City services for the taxes paid was excellent or good. This placed Bloomington in the top 12 percent of all 500 communities surveyed nationwide.

The survey also asked residents to tell us what they thought the City should do to increase their property values. This page highlights residents’ top five responses.

KEEP PROPERTY TAXES AS LOW AS POSSIBLE

Bloomington continues to have one of the lowest property tax costs in Hennepin County. The amount the median homeowner pays for City services is \$66.04 a month. To ensure Bloomington remains a vibrant and healthy community, the City Council reviews and prioritizes all property tax-supported City services.

The most critical services, such as public safety and infrastructure, entail 70 percent of the City’s total expenditures, followed by community safety, planning and maintenance services. Quality of life services, such as arts and recreation programs, constitute 15 percent of a homeowner’s monthly tax dollar. Bloomington compares well against peer cities in Hennepin County in terms of monthly property tax cost for the median single-family homeowner. *See graph on page CR2.* **The City ranked #4 among peer cities for value of services for taxes paid.**



REDEVELOP OLD COMMERCIAL PROPERTIES

In 2012, Bloomington accelerated its focus on renewing the community. Approximately 85 percent of the City’s residential and commercial growth potential is located in three districts along I-494 – the Normandale Lake, South Loop and Penn-American districts. The City created detailed plans for these districts to guide future development. In some cases, the City and its development agencies purchased property for infrastructure improvements and to assemble sites ready for redevelopment. The number of new buildings started in 2012 contributed to higher-than-average building permit revenues. **Bloomington ranks #2 in the peer cities comparison when it comes to quality of new development and #7 in overall appearance of the community.**



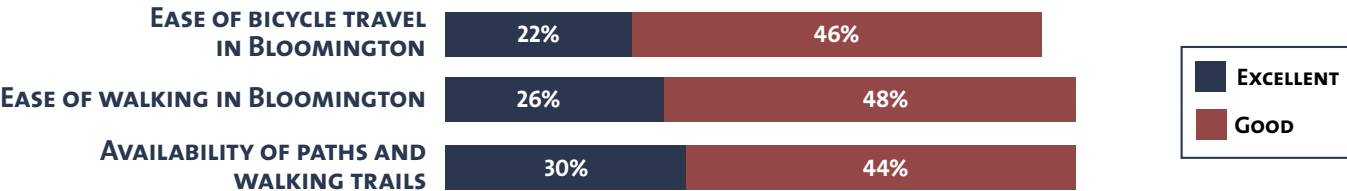
INCREASED STREET MAINTENANCE

Bloomington has continually funded a successful pavement management program for 20 years. The program strategically plans for repair and replacement of city streets. In 2012, Public Works constructed nearly 13 miles of new street pavement, 270 feet of new sidewalk, replaced 10,000 feet of existing sidewalk, and installed 190 feet of new walking and biking trails. Survey results showed residents rated street services highly, including street repairs, cleaning and snow removal. **Street cleaning services were ranked #2 and snow removal services were ranked #1 in the peer cities comparison.**



NEW BICYCLE AND WALKING TRAILS

Bloomington has completed many of the recommendations of its 2008 Alternative Transportation Plan. These actions improved transit, biking and walking routes throughout the city. *See page CR4.* The Alternative Transportation Plan will be updated in 2013. The graph below shows how residents rate walking and biking in Bloomington. **In the peer cities comparison, Bloomington ranked #4 for ease of walking and bicycle travel.**



MORE HOME IMPROVEMENT LOANS

In 2012, the Housing and Redevelopment Authority provided housing rehabilitation loans to 29 homeowners, provided housing to 52 large families through public housing and rental housing programs, and gave 21 rehab loans to homeowners who purchased foreclosed properties. In addition, the HRA assisted 178 senior citizens with housing maintenance projects. Of the residents surveyed, 61% found the availability of quality affordable housing in Bloomington to be excellent or good. This year, the City Council appropriated \$500,000 to add to the \$13.5 million revolving home improvement loan pool with the intention of boosting the number of loans for the next four years. **Bloomington ranked #3 in the peer cities comparison for availability of quality affordable housing.**



QUALITY SERVICES AT AN AFFORDABLE PRICE

The services a city organization provides to a community are vital to that community’s well being. When asked how they would rate the overall quality of services provided by the City of Bloomington, **88%** of those surveyed in the community rated the overall quality of our City services as excellent or good. **This placed the City #2 in the peer cities comparison.** When asked about the value residents receive for the taxes paid, 70 percent said the value was excellent or good.



Of residents surveyed, **82%** rated services provided to seniors as excellent or good. Human Services restructured its Creekside Community Center senior lunch program in 2012, resulting in an 84% increase in participation when compared to 2011.





MAKING SOUTH LOOP SAFER FOR PEDESTRIANS BRIDGING KILLEBREW DRIVE

Construction began on a new pedestrian bridge that will connect the Mall of America (MOA) to the south side of Killebrew Drive. The bridge will improve pedestrian safety by replacing the at-grade crosswalks of the six-lane road. Killebrew Drive currently accommodates more than 18,000 vehicles per day. That number is expected to increase to 39,000 vehicles per day by 2030.

The pedestrian bridge will be completely covered and partially temperature-controlled with elevator and stair access on the south side. The pedestrian path will go through the MOA parking ramp located below the Radisson Blu hotel and along the lobby to connect to the MOA. The bridge has been designed to complement the design of the Radisson Blu hotel.

An ornamental metal and concrete divider will be constructed along Killebrew Drive to direct pedestrians to the bridge. Removing pedestrians from the intersections allows signal timing to be modified, increasing the street's vehicle capacity.

The bridge project is funded by a federal grant, liquor and lodging taxes, and assessments. Construction is scheduled to be completed by fall 2013. See page CR 8.

WEBSITE KEYWORD: KILLEBREW.



IMPROVED TRANSPORTATION OPTIONS

An important aspect of living and working in any community is its transportation system. Location plays an important role in people's opinion about where they live and so does their ability to get from place to place with ease. The City's goal is to make transit, biking and walking experiences better for people by implementing more bike trails, working with Metro Transit to improve transit options such as light rail transit and bus rapid transit, and encouraging more walkable communities through infrastructure improvements like those happening in the South Loop district. The City continues to develop its Alternative Transportation Plan that focuses on continuing to create more of these opportunities. In addition, the City Council adopted a Complete Streets Policy designed to develop a transportation system that enhances safety, health and livability.



A redesigned 86th Street and new bike racks at City and school properties make biking safer and easier.

Many new construction projects designed to improve safety and transportation are slated to begin in 2013 and 2014. Phases 1 and 2 of the Lindau Lane construction will begin on the north side of the Mall of America. A new storm sewer is being constructed on 24th Avenue. A pedestrian bridge over Killebrew Drive connecting the Radisson Blu hotel and properties (hotels, restaurants and offices) south of Killebrew, will be constructed in 2013.

Also planned for 2013 is construction of a third lane westbound on I-494 and the Xerxes Avenue Bridge – the next step toward an I-494/I-35W upgrade.

These infrastructure improvements set the stage for new residential, retail, hotel and office development by improving pedestrian and vehicle circulation and attracting visitors and employers to Bloomington.

THE SURVEY SAYS...

76% of residents rated the ability to get around by car in Bloomington as excellent or good.

EXEMPLARY EDUCATIONAL OPPORTUNITIES

Strong schools support strong neighborhoods. Bloomington public schools are focused on academic excellence. Nine Bloomington schools are Blue Ribbon Schools of Excellence and another six have received Minnesota School of Excellence designations. Their distinction is due in large part to dedicated and talented teachers

who consistently earn state and national recognition for their efforts in educational excellence.

"Pathways to Graduation" is a comprehensive framework that identifies key milestones students need to meet to be prepared for college or a career. Bloomington public schools are specifically recognized as a state and

national leader and as the model for innovative, high-quality early childhood programs, with the goal of preparing all children to be ready for kindergarten.

The variety of higher educational opportunities in Bloomington also supports strong neighborhoods and continues to grow. Northwestern Health Sciences University, North American University, Augsburg College, Rasmussen College, Strayer University, University of St. Thomas and Bethel University all have classrooms in Bloomington. In 2012, Normandale Community College opened an academic partnership center and is now offering bachelors and masters degrees. Other communities don't have the quantity or the choices of secondary opportunities available in Bloomington.

THE SURVEY SAYS...

80% of residents reported that educational opportunities in Bloomington were excellent or good.

Street maintenance services received very high marks from residents. A total of 78% of residents surveyed rated snow removal in Bloomington as excellent or good. Among peer cities, Bloomington ranks #1. Public Works crews plowed the 68 inches of snow that fell on city streets during the 2012-2013 winter season, for a total of 14 full plows (when streets are plowed from end to end.)



PREPARING TO MEET CHALLENGES



OPPORTUNITIES FOR EMPLOYMENT

Not only is Bloomington a great place to live, it's also a top-rated place to work. Many major companies call Bloomington home. Toro, Donaldson, HealthPartners, Quality Bicycle Products, Seagate and Cypress Semiconductor, among others, not to mention a booming hospitality industry, and many colleges and universities give the city more jobs per capita than either Saint Paul or Minneapolis.

Bloomington is also a place where businesses come to grow and expand.

A number of Bloomington businesses are opening their doors for the first time or expanding their facilities, including ATMI LifeSciences, Quality Bicycle Products, Toro, tenKsolar, Polar Semiconductor, Trader Joe's and Twin Cities Project 52, among others. Open Access Technology International is opening an office and data center at I-494 and Normandale Boulevard. These businesses are leading the way in their fields, making Bloomington the place to be for creative companies. In addition,

Mall of America will be breaking ground on its next phase of development in 2013. These growing businesses not only create jobs, but they improve the local economy through the tax dollars they contribute and the consumers and other businesses they bring to the community.

THE SURVEY SAYS...

83% of residents think Bloomington is a great place to work.



Bloomington is home to 97 parks and nearly 20 miles of park trails that are maintained by the City. It's no surprise that **74%** of residents surveyed rated the availability of paths and walking trails as excellent or excellent.



MAKING HEALTHY AND ACTIVE LIVING EASY

Attributes that make Bloomington neighborhoods desirable, such as the presence of parks, recreation facilities and open spaces, encourage healthy lifestyles. The City helps to maintain quality of life in Bloomington through neighborhood revitalization efforts such as making improvements to parks and recreational facilities, working with employers to make workplaces healthier and providing more opportunities to purchase or grow fresh food.

Improvements were made to the Hyland Greens Golf Course in 2012 with the construction of a new driving range and to Bloomington Family Aquatic Center with the installation of two new slides and a renovated bathhouse. In 2013, the City will be making improvements to Bloomington's off-leash recreation area for dogs at 111th

Street between Nesbitt and Hampshire avenues by adding security lighting and drinking fountains. Park improvements will also be made at Dred Scott Playfields; Tretbaugh Park, 3701 West 90th Street; Maplewood Park, 131 East 95th Street; and Maplewood Park, 4800 Terrancewood Drive.

Through *do.town* and the Statewide Health Improvement Program, eight employers in Bloomington, including the City, participated in worksite wellness coalitions that will continue to create policies to make their workplaces healthier. Coalition members learned how to update or create policies regarding tobacco use, healthy eating and physical activity. Some employers added healthier options to their vending machines, created walking groups and provided alternative transportation resources.

Another way the City helps encourage healthy living is by creating more opportunities to buy fresh fruits and vegetables at the Farmers Market. The market recently began accepting food program benefits that help struggling families afford fresh food. The City also offers and maintains community garden plots available for public use at Smith Park, 8155 Park Avenue South, and Harrison Park, 1701 West 100th Street; this is in addition to the many community garden plots available through local churches and other organizations.

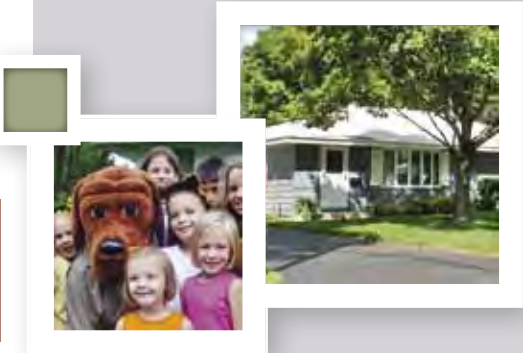
THE SURVEY SAYS...

68% of residents rated opportunities to attend cultural activities in the city as excellent or good.

QUALITY NEIGHBORHOODS STRENGTHENING OUR COMMUNITIES

There's no doubt that Bloomington is a great place to own or rent a home. The city boasts quality, affordable housing options, from rental homes to single-family homes to assisted living facilities. One of Bloomington's strengths is its housing choices located near higher density, mixed-use areas such as the Penn-American District, where Genesee, a retail and residential development, recently opened.

The City helps to maintain neighborhoods through the services and programs it provides, including Police's Neighborhood Watch; Environmental Health's property maintenance monitoring; the annual Curbside Cleanup and the Housing and Redevelopment Authority's home loans programs. In addition, Bloomington Civic Plaza is home to a vibrant Center for the Arts that offers cultural opportunities and a growing Farmers Market that provides affordable, healthy foods and a way to interact with neighbors.





2013 OPERATING REVENUE SOURCES

The City's major funds fall into the categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar.

Bloomington's low property tax rate is maintained by maximizing other funding sources, continuing to encourage growth of the City's diverse tax base and looking at new ways to bolster productivity. By diversifying revenue, the City is in a strong position to withstand economic shifts.

Property taxes	\$44,448,906*
Fees/charges	26,559,622
Program income	7,656,890
Lodging/admissions	7,152,500
Transfers/other	4,470,665
Intergovernmental	4,223,802
Licenses/permits	4,835,600
Special assessments	2,943,000
Fines/forfeitures	1,459,500
Franchise fee	1,115,000
Interest	749,702
Total revenues	\$105,615,187

*Does not include Capital levy of \$1,599,796.

2013 BUDGETED EXPENDITURES BY FUND

The City of Bloomington's budgeted expenditures for 2013 total \$109,547,941.*

General Fund	\$59,687,288
Enterprise Funds	37,431,394
Special Revenue Funds	6,113,764
Debt Service Funds	6,510,127
Total expenditures	\$109,742,573

* The \$4,127,386 difference between 2013 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects, see page CR 8.



Bloomington residents are very civic minded. Of the residents surveyed, **87%** responded that they were registered to vote and **79%** responded that they voted in the last general election.



THE GENERAL FUND

The General Fund, which accounts for a majority of City services, is Bloomington's primary operating fund. It uses current revenues to fulfill current expense obligations. This section contains specific information about each department within the General Fund.

	2011 ACTUAL EXPENDITURES	2012 BUDGET	2012 ESTIMATED EXPENDITURES	2013 BUDGET	ESTIMATED NET PROPERTY TAX*
POLICE	\$19,730,636	\$20,831,981	\$20,083,162	\$21,476,272	\$22.73
The Police Department works with the community to make Bloomington a safe place to live and partners with residents and businesses to address their diverse needs.					
PUBLIC WORKS	11,372,363	9,589,870	9,043,005	9,817,082	13.49**
Public Works provides safe and efficient transportation routes throughout Bloomington; maintains the City's streets, parks, vehicles and public facilities; and reviews the impact construction and development projects will have on local and regional infrastructure. <i>Starting in 2012, Parks Maintenance is funded in Community Services.</i>					
COMMUNITY SERVICES	8,585,955	11,514,467	11,139,169	12,470,305	13.64†
Community Services offers human services programs, manages parks and recreational activities, produces communication materials and provides public health services. <i>Starting in 2012, Parks Maintenance is funded in Community Services.</i>					
COMMUNITY DEVELOPMENT	5,620,273	6,378,982	6,010,661	6,641,010	4.27
Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes health and safety by obtaining compliance with state and City codes.					
FIRE	2,588,758	2,826,430	2,716,021	3,187,789	4.56
The Fire Department protects the community by performing rescues; responding to fires, emergencies and hazardous materials incidents; and teaching fire prevention.					
TECHNICAL SERVICES	2,133,785	2,519,640	2,347,620	2,604,782	***
Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington's residents as well as internal technology support to City departments.					
LEGAL	1,024,909	1,155,189	1,083,973	1,222,521	***
Legal prosecutes misdemeanors and advises the City Manager, City Council, City departments, and advisory boards and commissions.					
FINANCE	808,851	1,020,783	856,804	1,041,153	***
Finance provides financial management and internal support services to other departments.					
HUMAN RESOURCES	524,465	686,944	601,034	637,059	***
Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.					
COUNCIL, COMMISSIONS, CITY MANAGER	660,125	874,910	669,576	903,801	***
Legislative power is vested in an elected, part-time City Council consisting of a mayor and six councilmembers, which appoints citizens to advisory commissions. A city manager administers City business, appoints all other employees and performs duties as directed by the Council.					

- * Net property tax is the portion of the levy allocated to these services per month. For the net property tax calculation, departments with programs that generate fee revenue have that revenue applied to their budget before property tax.
- ** Includes \$791,846 in a separate levy for the Pavement Management Program.
- *** These administrative services are allocated to other General Fund budgets and programs.
- † Recreational facilities funding is \$2.13 of this total.



A SIGNIFICANT ACHIEVEMENT – THREE TRIPLE-A RATINGS

Bloomington ranks with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa status from Moody's, AAA from Standard & Poor's and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies.

Bloomington is one of only 31 cities out of more than 19,000 municipal governments in the U.S. that have achieved three triple-A ratings. Our city is currently one of two cities in Minnesota to hold all three highest ratings. According to the agencies, our triple-A status reflects the

City's conservative fiscal management, diverse economic base, central location, low unemployment rates that fall below state and national averages, and continued success in the Mall of America tax increment district. The City's excellent bond ratings signal current and potential investors that our financial future is strong and ensure interest costs will remain low. It also signals to businesses and individuals that Bloomington is a financially healthy community.

ENTERPRISE FUNDS

These funds consist of utilities, recreational facilities, contractual police services and motor vehicle licensing primarily supported by user fees.

		2011 OPERATING EXPENSES	2012 BUDGET	2012 OPERATING EXPENSES	2013 BUDGET	AVERAGE FEES PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$5,205,099	\$5,126,131	\$5,322,948	\$5,893,690	\$2.13*
PUBLIC SAFETY	CONTRACTUAL POLICE	441,953	540,000	586,649	550,000	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	1,167,846	1,401,377	1,122,889	1,440,263	2.49**
	STORMWATER UTILITY	3,192,226	6,093,912	3,176,026	6,042,570	5.47
	WATER/ WASTEWATER UTILITY	21,794,989	21,725,348	21,891,982	22,894,198	31.40***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	561,456	609,992	580,635	610,403	0.00

- * Amount is included in the \$13.64 that the property owner of a median-value home pays in property taxes for Community Services per month.
- ** Not including a \$0.59 recycling credit residents receive per month from a county grant.
- *** Rates are based on average winter usage.
- **** Based on 6,800 gallons per month.

INTERNAL SERVICE FUNDS

These funds finance interdepartmental goods and services on a cost-reimbursement basis from a variety of end-user funds. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2011 OPERATING EXPENSES	2012 BUDGET	2012 OPERATING EXPENSES	2013 BUDGET
BENEFIT ACCRUAL	\$1,467,613	\$1,357,017	\$1,586,655	\$1,458,597
EQUIPMENT FUND	5,456,946	5,456,619	5,400,285	5,939,961
FACILITIES MAINTENANCE AND REPLACEMENT	5,090,945	9,535,061	8,743,932	10,581,433*
INFORMATION SYSTEMS	3,547,415	4,633,951	3,633,825	5,207,304
INSURED BENEFITS	8,318,728	8,788,266	7,768,808	8,236,615
PUBLIC SAFETY RADIO	407,282	600,274	629,093	622,884
SELF-INSURANCE	1,453,088	1,346,268	1,513,610	1,670,031
SUPPORT SERVICES	486,219	482,160	475,225	507,591

- * Includes park fees formerly in the General Fund.

SPECIAL REVENUE FUNDS

These funds account for revenues used for specific purposes including housing and community development, communications, public health initiatives and law enforcement activities.

		2011 TOTAL EXPENDITURES	2012 BUDGET	2012 TOTAL EXPENDITURES	2013 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	SOUTH LOOP ENVIRONMENT REVIEW	\$379	\$114,920	\$5,413	\$66,720	Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	1,430,215	1,465,595	1,294,311	1,566,606	Franchise fee/ other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	1,817,985	1,959,291	1,575,045	1,400,639	State grants
	PARK GRANTS	0	150,000	83,840	106,000	State and federal grants
PUBLIC SAFETY	PUBLIC SAFETY SPECIAL REVENUE	4,512,588	2,947,570	3,184,810	2,973,799	Forfeited assets and grants and one-time reimbursement*/ property taxes**
CITY CLERK	CEMETERY TRUST	12,445	0	10,661	0	Lot sales
PUBLIC WORKS	ENERGY EFFICIENCY BLOCK GRANT	197,024	226,638	20,234	0	State and federal grants

- * Used for specific police capital and operating expenses.
- ** If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will generally be the funding source.

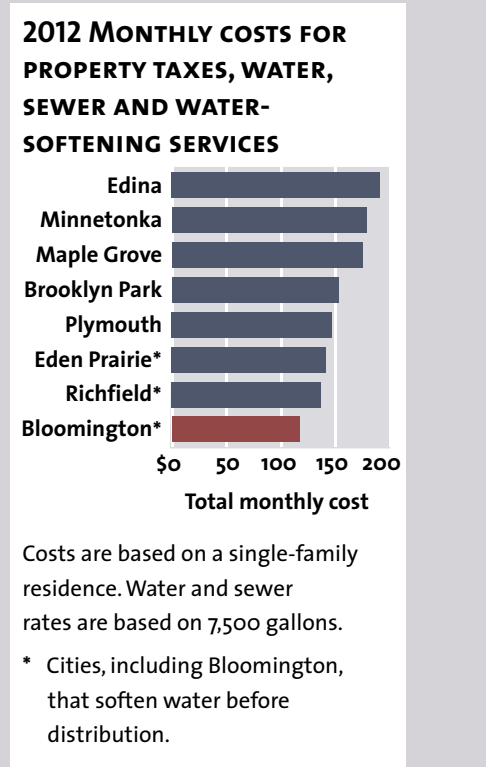


Residents' perception of safety in Bloomington was much higher than the national peer cities ranking – **84%** of residents surveyed responded that they feel very or somewhat safe from violent crime.



2012 RESIDENTIAL PROPERTY TAX, WATER AND SEWER RATE SURVEY

In 2012, the monthly costs to residents in eight cities for single-family property taxes, plus water, sewer and water-softening services, ranged from \$184.14 in Edina (including in-home, water-softening costs) to \$116.45 in Bloomington for City-softened water.



Minnesota state law, Chapter 156 of the Session Laws of 2005, requires that “a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees.” For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager – \$154,569; Karl Keel, Public Works Director – \$149,352; and Larry Lee, Director of Community Development – \$143,765.



How do residents receive information about their City? Of the residents surveyed, **58%** said they rely on the *Briefing* newsletter as a major source of information about City activities, programs and events.

ABOUT THIS REPORT

The City Council presents this corporate report of financial and related information to show how Bloomington’s city government performs. This report does not include Housing and Redevelopment Authority or Port Authority budgets.

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- Councilmembers**
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Vern Wilcox, 952-854-1425 (h)
- City Manager**
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City of Bloomington reports financial year-end results in the approximately 200-page *Comprehensive Annual Financial Report* (CAFR). The *Corporate Report to the Community* summarizes significant data from the 2012 CAFR and the 2013 Annual Budget, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

The *Corporate Report to the Community* is unaudited. This popular report format has been used and improved for the past 14 years and is also available on our website. Audited numbers will appear on our website in June.

For a complete review of the City’s financial position for 2013, consult the 2013 CAFR, available from the Hennepin County Library, Bloomington Finance Department or the City’s website after June 30, 2013. For more information on the 2013 Annual Budget, visit the City’s website or call 952-563-8790.



TOWARD A MORE SUSTAINABLE FUTURE

CAPITAL PROJECTS

Capital Projects purchase and improve major assets such as land, structures, equipment and streets.

2011 ACTUAL EXPENDITURES	2012 ESTIMATED EXPENDITURES	2013 PROJECTED EXPENDITURES
\$21,963,595	\$20,843,278	\$54,534,746

PARK AND RECREATIONAL FACILITIES IMPROVEMENTS

To keep Bloomington’s parks and facilities safe, the City undertakes revitalization projects to replace aging equipment.

Red Haddox Field improvements – Approximately \$622,220 will be used to pay for a new concession and restroom building, a paved trail and plaza, fencing, a scoreboard and storm water projects.

Dred Scott Playfields well replacement – \$130,000 will be used to replace a collapsed well at Dred Scott Playfields. The new well will be virtually maintenance-free and will save the City \$80,000 per year in irrigation fees.

Equipment replacement and trail improvements – \$164,431 will be used to update aging playground equipment to meet current safety and accessibility standards. Trail improvements will also be made. Operating costs will not be affected.

SOUTH LOOP DISTRICT

More than \$77 million has been budgeted over the next three years for major infrastructure improvements to the South Loop District, including \$23 million to reconstruct Lindau Lane. Construction of a covered pedestrian bridge, *see right*, over Killebrew Drive connecting the Radisson Blu hotel and properties (hotels, restaurants and offices) south of Killebrew, will be \$3.6 million, in addition to \$25,000 per year for heat, lights and maintenance. Traffic capacity improvements and a storm sewer upgrade at Killebrew Drive and 26th Avenue will cost \$6.6 million. Funding sources include liquor and lodging tax revenue, state and federal grants and tax increment financing. *For more on the South Loop, see page CR 4.*



PAVEMENT MANAGEMENT PROGRAM

The Pavement Management Program is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. After needs are identified, funding is provided through state aids, assessments and an annual levy. This program strategically plans for repair and replacement, and maximizes process efficiency by identifying the optimum time to replace or repair city streets.

In 2013, approximately \$6.4 million will be invested in street reconstruction and \$2.5 million will be spent overlaying existing pavement. Operating costs will not change.

DEBT SERVICE

Many community needs must be cost-effectively met by the City of Bloomington, including street and infrastructure work, construction projects and equipment purchases. The ability to issue future debt at lower interest rates will provide for our community’s upkeep and renewal without substantially increasing property taxes for debt service.

2011 ACTUAL EXPENDITURES	2012 BUDGET	2012 ESTIMATED EXPENDITURES	2013 BUDGET	AVERAGE NET PROPERTY TAX PER MONTH
\$7,243,506	\$13,013,200	\$12,781,918	\$7,413,380	\$7.35

OUTSTANDING DEBT

The City’s total outstanding debt on December 31, 2012, was \$73,280,000. The total legal debt limit for Bloomington is \$302 million. The City’s net debt per capita is \$592. *See right.* More than half of Bloomington’s debt will be paid off in 10 years – a sign of strong financial management.

The Port Authority has outstanding debt of \$21.8 million, which will be paid off from tax increment financing revenues and local liquor and lodging taxes.

CITY OF BLOOMINGTON BONDS

General Obligation (G.O.) Bonds	\$ 5,970,000
G.O. Improvement Bonds	55,620,000
G.O. Tax Increment Bonds	6,175,000
Capital Improvement Plan Bonds	5,365,000
Enterprise Fund Revenue Bonds	150,000
TOTAL	\$ 73,130,000
Less: Funds on hand	(23,572,558)
TOTAL NET DEBT	\$ 49,557,442
NET DEBT per capita	\$ 592

PORT AUTHORITY BONDS

Special Tax Revenue Refunding	\$ 5,875,000
G.O. Taxable Bonds	14,550,000
TOTAL	\$ 20,425,000